98TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
1st Session } { No. 98-105

FISCAL YEAR 1984 AUTHORIZATIONS FOR U.S. INTERNATIONAL TRADE COMMISSION, CUSTOMS SERVICE, AND TRADE REPRESENTATIVES OFFICE

MAY 11, 1983.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. ROSTENKOWSKI, from the Committee on Ways and Means, submitted the following

REPORT

[To accompany H.R. 2602]

[Including cost estimate of the Congressional Budget Office]

The Committee on Ways and Means, to whom was referred the bill (H.R. 2602, to authorize appropriations for the U.S. International Trade Commission, the U.S. Customs Service, and the Office of the U.S. Trade Representative for fiscal year 1984, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments (stated in terms of the page and line numbers of the introduced bill) are as follows:

Page 1, line 8, strike out $21,103,000" and insert "$21,241,000".

Page 2, line 9, strike out "$602,759,000" and insert "$627,759,000".

Page 2, line 11, strike out "$15,000,000" and insert "$14,000,000".

Page 2, line 13, strike out "and".

Page 2, line 14, strike out the quotation mark and insert

> , and (C) not to exceed $1,000,000 is for a program to provide technical and educational assistance regarding technical customs matters to developing countries'.

Page 2, line 23, after "$25,000" insert the following:

> ; except that the Commissioner of Customs or his designee may waive this limitation in individual cases in order to prevent excessive costs or to meet emergency requirements of the service.

Page 2, between lines 23 and 24, insert the following:

> (b) PACKAGING MATERIALS FOR MERCHANDISING ENTITLED TO SAME CONDITION DRAWBACK.—Section 313(j) of the Tariff

H783-4

Act of 1930 (19 U.S.C. 1313(j)) is amended by adding at the end thereof the following new paragraph:

"(3) Packaging material that is imparted for use in performing incidental operations regarding the packaging or repackaging of imported mechandise to which paragraph (1) applies shall be treated under the paragraph in the same manner as such merchandise for purposes of refund, as drawback, 99 per centum of any duty, tax, or fee imposed under Federal law on the importation of such materials.".

(c) DISCLOSURE OF MANIFEST INFORMATION.—Section 431 of the Tariff Act of 1930 (19 U.S.C. 1431) is amended—

(1) by striking out the period at the end of the paragraph designated as "Third" in subsection (a) and inserting in lieu thereof "; and the names of the shippers of such merchandise."; and

(2) by adding at the end thereof the following new subsection:

"(c)(1) Except as provided in subparagraph (2), the following information, when contained in such manifest, shall be available for public disclosure:

"(A) The name and address of each importer or consignee and the name and address of the shipper to such importer or consignee, unless the importer or consignee has made a biennial certification, in accordance with procedures adopted by the Secretary of the Treasury, claiming confidential treatment of such information.

"(B) The general character of the cargo.

"(C) The number of packages and gross weight.

"(D) The name of the vessel or carrier.

"(E) The port of loading.

"(F) The port of discharge.

"(G) The country of origin of the shipment.

"(2) The information listed in paragraph (1) shall not be available for public disclosure if—

"(A) the Secretary of the Treasury makes an affirmative finding on a shipment-by-shipment basis that disclosure is likely to pose a threat of personal injury or property damage; or

"(B) the information is exempt under the provisions of section 552(b)(1) of title 5 of the United States Code.

"(3) The Secretary of the Treasury, in order to allow for the timely dissemination and publication of the information listed in paragraph (1), shall establish procedures to provide access to manifests. Such procedures shall include provisions for adequate protection against the public disclosure of information not available for public disclosure from such manifests.".

Page 2, line 24, strike out "(b)" and insert "(d)".

Page 2, lines 24 and 25, before "(2)(B)" insert "(a)".

Page 3, line 10, strike out "$11,647,000" and insert "$11,897,000".

Purposes and Summary

H.R. 2602, as ordered reported by the Committee on Ways and Means, combines three separate agency authorizations under the jurisdiction of the committee, and makes certain changes in customs procedures.

For the U.S. International Trade Commission [ITC], the bill, as amended, authorizes appropriations of $21,241,000 for fiscal year 1984, the amount requested by the ITC.

The bill authorizes $627,759,000 in appropriations for the U.S. Customs Service for fiscal year 1984. This amends by $25 million the authorization level set forth in H.R. 2602 as introduced and increases by $49 million the amount requested for Customs in the administration's budget. The bill, as amended, limits to $14 million the amount of authorized funds which Customs may expend for the implementation of the Operation Exodus program and limits to $9 million the amount which may be spent on purchases of equipment for a second air module. A committee amendment also authorizes up to $1 million for Customs technical training and assistance for developing nations.

In addition, the bill also prohibits the Secretary of the Treasury from imposing any interest charges during the 10-day deferral period for the deposit of estimated duties and places a $25,000 "cap" on the amount that Customs inspectors can earn in overtime pay. The committee adopted amendments to permit the Commissioner of Customs to waive this limitation under certain circumstances; to provide for public disclosure of certain import manifest information; and to allow packaging materials for merchandise the same condition drawback.

Section 3 of the bill, as amended, authorizes $11,897,000 for the U.S. Trade Representative [USTR] for fiscal year 1984, the amount requested by the agency.

Committee Action

The Subcommittee on Trade of the Committee on Ways and Means held hearings on February 15, 1983, on the authorization of appropriations for and oversight of the International Trade Commission, Customs Service, and U.S. Trade Representative. Testimony was received from representatives of each of the three agencies and from public witnesses.

H.R. 2602 was introduced by the chairman of the Subcommittee on Trade, Mr. Gibbons, on April 19, 1983.

On April 20, the Subcommittee on Trade by voice vote ordered H.R. 2602 reported favorably to the full committee with amendments.

On May 4, the Committee on Ways and Means ordered H.R. 2602, as amended, favorably reported by voice vote with amendments.

Section-by-Section Analysis and Justification

International Trade Commission

The Trade Act of 1974—Public Law 93–618—provides that the estimated expenditures and proposed appropriations for the Interna-

tional Trade Commission shall be included in the budget submitted by the President to the Congress without revision and amended section 330 of the Tariff Act of 1930 to require that the annual authorization of appropriations for the Commission be established by law.

Because of the unique role of the Commission as a quasi-judicial and independent agency designed to provide trade expertise to both legislative and executive branches of Government, the Congress provided that the budget of the International Trade Commission would not be subject to control by the Office of Management and Budget, but would instead be submitted directly to the Congress. The committee believes that this budgetary independence has been useful in insuring the independence and objectivity of the Commission.

Authorization of appropriations

Section 1 of H.R. 2602, as amended by the committee, amends paragraph (2) of section 303(e) of the Tariff Act of 1930 to authorize an appropriation of $21,241,000 to the ITC for fiscal year 1984. This is the amount requested by the ITC. The committee amendment increases the authorization level set forth in the bill as introduced by $138,000. This amendment was requested by the ITC subsequent to the date of introduction to cover personnel costs associated with the executive pay cap increase.

The amount authorized by section 1 as amended is $1,360,000 more than the amount appropriated for fiscal year 1983, assuming enactment of the fiscal year 1983 pay increase supplemental appropriation. This increase of 6 percent would maintain the current number of authorized positions at 438. The additional funding is attributable to built-in increases in employee compensation, inflation, and space rental.

After careful review, the committee supports the Commission's budget request. The continued weakness in the domestic economy and the growing trade deficit have had a dramatic impact on all areas of the Commission's responsibilities. The Commission's crucial role in deciding import relief matters and rendering recommendations to the President is of critical importance to the operation of a transparent, fair, and effective trade policy. In addition, the Commission's responsibility under the Trade Agreements Act of 1979 to examine and decide injury questions in antidumping and countervailing duty cases has resulted in a dramatic increase in caseload. This function is essential in maintaining an effective regime over unfair trade practices. Finally, the number and variety of requests from Congress for special studies and other factfinding services has steadily increased. The Commission is currently studying such problems as industrial targeting and its effect on U.S. competitiveness, the impact of the generalized system of preferences, and the effects of changes in the value of the dollar on U.S. competitiveness. These studies are of paramount concern to this committee, and many of them address issues relevant to pending or anticipated legislation.

Given the importance of the Commission's activities to domestic industries and labor, the committee believes that it is essential to maintain current operating levels. The Commission's past budget requests have been reasonable and have necessitated handling an increasing workload with greater and greater efficiency. It would be

a serious mistake to reduce the Commission's budget during a period of growing trade tensions and increasing import relief requests.

The committee is extremely concerned about the growing tendency to leave Commission seats unfilled for long periods of time. This seriously erodes both the credibility and the effectiveness of the agency. Domestic industries, importers, and foreign governments affected by agency decisions can legitimately complain that the absence of a full complement of qualified Commissioners as contemplated by the statute diminishes the Commission's adjudicative role and impairs the operation of our import relief laws.

At present, three Commission seats, or one-half of the total, are vacant. Further, the Office of the Vice Chairman has been vacant since September 1982, despite the fact that the statute requires the Offices of Chairman and Vice Chairman to be filled at all times. The committee has and continues to strongly urge the President to fill these vacancies as soon as possible with highly qualified individuals possessing relevant expertise in trade matters. As the volume and complexity of cases handled by the Commission increases, it is vital that the agency be able to manage its responsibilities as contemplated by this committee in the original statutory mandate. The committee is convinced that such responsibilities can only be met by assuring an independent, bipartisan and well-qualified body of six Commissioners as required by the statute.

U.S. CUSTOMS SERVICE

Authorization of appropriations

The Customs Procedural Reform and Simplification Act of 1978 (Public Law 95–410) provides for the annual authorization of appropriations for the Customs Service. Section 2(a) of H.R. 2602, as amended by the committee, amends section 301(b) of that act to authorize $627,759,000 in appropriations for the U.S. Customs Service in fiscal year 1984. This amends by $25 million the authorization level set forth in H.R. 2602 as introduced, and increases by $49 million the amount requested for Customs by the administration.

The bill, as introduced, provided a fiscal year 1984 customs budget of $602.8 million, an amount $24 million higher than the $578.8 million requested by the administration. This increase was a net figure representing reductions totaling $29 million ($10 million in present funding and the $10 million additional funds requested for the Operation Exodus export enforcement program and $9 million of the $18 million requested for a second air module) and an increase of $53 million estimated by Customs as required to maintain current operating levels in their commercial inspection and revenue collection functions.

New Customs personnel.—The committee amended the bill, as introduced to authorize an additional $25 million to provide funds for new customs personnel. In particular, this increase is intended to fund about 650 positions or about 450 customs inspectors, 150 import specialists, and 50 patrol officers. The committee believes the additional amount is necessary because of the continually growing workload of passengers and cargo, and because the threat of narcotics smuggling continues to grow. In allocating the new personnel, the Commissioner of Customs should consider those port facilities evidenc-

ing high potential growth in trade activity. The Commissioner is also urged to continue to monitor and identify high growth ports to insure that sufficient manpower is available for administering the customs laws.

Operation Exodus.—The committee amended section 2(a) of H.R. 2602, as introduced, to reduce the maximum funding authorized for implementation of the Operation Exodus program from $15 million to $14 million in fiscal year 1984, a reduction of $21 million from the amount requested by the agency for this purpose. While the committee recognizes the important role Customs plays in the deterrence and interdiction of illegal high-technology exports to Communist countries, the committee also believes that the amount authorized will be sufficient to operate an effective program in conjunction with other agencies having jurisdiction over the administration and enforcement of export control laws.

Under existing law, the Department of Commerce and the Department of Defense have primary jurisdiction over the administration and enforcement of export control laws. Other agencies, such as the Customs Service and the Drug Enforcement Agency, contribute to this effort in the areas of monitoring, investigating, and enforcement. The hearings revealed many deficiencies in the administration and enforcement of export control laws that have caused undue hardship, including loss of legitimate sales, for U.S. exporters.

Complaints with respect to the enforcement activities of Operation Exodus have centered on the excessive number of detentions of shipments that subsequently were not in violation of export control laws, were minor, inadvertent errors, or which required validated licenses for long outdated technologies which should have been eliminated from the control list years ago and are widely available from our allies for sale to Communist nations. Such detentions have resulted in costly delays and even loss of sales for U.S. exporters who have conducted, or believed they conducted, their business in complete compliance with the law. The committee expects that the Customs Service will review thoroughly its process for detecting and investigating export control violations in order to achieve a more selective and effective system, will work with exporters to insure compliance with the law before detentions become necessary, and will better coordinate its role with the Department of Commerce in order to eliminate duplicative functions. Efforts should be focused on methods that result in a high percentage of prosecutions of actual export violations rather than the existing random approach that disrupts legitimate trade and otherwise adversely affects American exporters.

The Customs Service provides one element in the enforcement of export control laws, since the customs presence at the border offers the last opportunity for goods to be inspected for possible export control violations. However, the committee believes that Customs has expanded Operation Exodus in a way that unnecessarily interrupts legitimate commercial activity, duplicates the activities of other agencies, and drains already limited resources from other inspection functions.

The committee believes that the funds authorized will permit the Customs Service to maintain an effective Exodus program, and encourages Customs to continue to coordinate its functions in the export control area with those of other agencies so that the illegal transfer

of technology can be stopped without the disruption of legitimate U.S. exports.

Air module equipment.—With respect to the $18,300,000 in additional funding in the administration's fiscal year 1984 budget request for new air module equipment, the committe authorized up to one-half that amount, or $9 million, to acquire a second module. The committee has been impressed with the results of the customs air program and module in the south Florida area. However, rather than authorize new funds, the committee expects that Customs will shift resources as necessary to implement a second air module, including taking advantage of transfers of used equipment from the military. The committee believes new equipment purchases will likely have to be spread out over 2 or more years.

The following is a list of air module equipment for which the administration is seeking additional funding:

1 Customs High Endurance Surveillance System (CHESS) aircraft with F–16 radar	$4, 500, 000
2 Tracker aircraft with Forward Looking Infrared (FLIR)	6, 750, 000
Command Control and Communication System (C–3)	2, 500, 000
Mobile radar	1, 000, 000
Low-flyer detection system	2, 050, 000
Unattended Beacon Alert Surveillance System (UBASS)	1, 380, 000
Life support module	120, 000
Total	18, 300, 000

The limitation in section 2(a)(1)(B) of the bill, as amended, applies to the above equipment.

Valuation training.—The committee also amended section 2(a) of the bill to authorize up to $1 million for a program to provide technical and educational assistance on technical customs matters to developing countries. In the Agreement on Customs Valuation concluded in the Tokyo Round of Multilateral Trade Negotiations (MTN) in the spring of 1979, and approved by the Congress in the Trade Agreements Act of 1979, the major developed nations indicated that they would provide limited amounts of technical assistance to the customs services of the developing nations so that new customs valuation agreement reforms could be widely accepted and adopted.

In view of our leadership in drafting the new agreement and in light of the commercial importance to the United States of insuring the proper interpretation of the agreement, the committee believes that Customs should assume an active stance in providing valuation and procedural training to foreign customs services. Through this training, the U.S. Customs Service can influence foreign customs services to harmonize procedures and, in so doing, assist U.S. exporters to obtain fair and uniform treatment in the valuation of goods.

The committee has, in connection with three previous authorizations, encouraged the Customs Service to develop and implement a program of technical assistance for developing countries. By authorizing specific funding in fiscal year 1984, the committee is emphasizing its intent that the moneys be used expeditiously to carry out an effective technical assistance program.

Overtime pay cap.—Section 2(a) of the bill amends section 301 of the Customs Procedural Reform and Simplification Act of 1978 by inserting a new section (d) to impose a $25,000 limitation on the

amount that individual customs inspectors can earn in overtime pay each year. The customs authorization bill for fiscal year 1983 (Public Law 97-456), enacted on January 12, 1983, was silent on the issue. Thus, the Customs Service is currently operating under the provisions of House Joint Resolution 531 and the House and Senate fiscal year 1983 Treasury appropriation bills, which imposes a $25,000 cap on overtime payments but allows the Commissioner to waive this limitation in individual cases in order to prevent excessive costs or to meet emergency requirements of the service.

The committee believes this limitation to be reasonable and amended the bill as introduced to maintain the Commissioner's present waiver authority. The Commissioner is directed, however, to report quarterly to the Committee on Ways and Means on the number of instances in which he found it necessary to waive the cap, including the dates, locations, and amounts of such cases.

Same condition drawback

A committee amendment to section 2 of the bill as introduced amends section 313(j) of the Tariff Act of 1930 to provide specifically that packaging materials imported for use in performing incidental operations are eligible for same condition drawback.[1] Section 2(b) of the bill, as amended, further defines the term incidental operations as set forth in section 313(j)(2) of the Tariff Act. Subsection (j) currently provides that imported, duty-paid merchandise is eligible for drawback if such merchandise is exported (or destroyed under Customs supervision) in the same condition as when imported, within 3 years after importation, unless such merchandise has been used within the United States. Certain incidental operations performed on the imported merchandise in the United States are not considered as "use" of that merchandise, such as testing, cleaning, repacking, inspecting, and other similar incidental operations. These activities do not disqualify the merchandise from drawback upon its subsequent exportation (or destruction) as long as the incidental operations do not amount to a manufacture of production within the meaning of the drawback law.

This amendment clarifies the intent of the 1980 drawback amendment to make sure that packaging materials used to wrap materials which are now eligible for same condition drawback would also be eligible for drawback. This provision would also correct a 1981 Customs Service ruling to the contrary.

Disclosure of manifest information

The committee amended section 2 of H.R. 2602, as introduced, by incorporating the entire text of H.R. 2588, originally introduced by Mr. Pease, to provide for public disclosure of certain import manifest information. Section 2(c) amends section 431 of the Tariff Act of 1930 to improve public access to certain information about imports coming into the United States, while providing methods of protecting claims of business confidentiality and other sensitive information.

[1] The usual feature of drawback under section 313 is the refund of 99 percent of the duties paid on imported goods upon the exportation of articles manufactured or produced in the United States with the use of the imported goods, subject to certain limitations (19 U.S.C. 1313(j)). The drawback statute was amended in 1980 to permit "same condition" drawback in the amount of 99 percent of the duties paid.

The purpose of the amendment is to improve the U.S. competitive position in world trade by providing better access to import information. Fuller disclosure of this information can benefit U.S. firms, trade authorities, and U.S. ports in planning and marketing of their goods and services. U.S. carriers, U.S. manufacturers, U.S. land-based transportation companies, port authorities, and Government agencies will be able to use the expanded information base to determine where and when to allocate equipment and to identify expanding or contracting markets and bases for long-range planning and improving services. It will also enable them to identify and contact potential customers.

This amendment requires the Customs Service to adopt similar practices regarding disclosure of import information as it now must follow for export information as mandated in Public Law 96-275.

Current law requires that the master of every vessel arriving in the United States have on board his vessel a manifest which provides such detailed information on the shipment as the name of the port of discharge, the port of loading, a description of all merchandise on board, and the name of the importer.

Current practices of the Customs Service limit public availability to some of the manifest information, such as the foreign shipper of cargo coming into the United States. Moreover, the Customs Service automatically honors requests by an importer even if the confidentiality request was submitted 40 or 50 years ago. These requests do not have to be renewed.

The amendment changes current law in terms of what has to be on a manifest in only one respect—it adds the names of the shippers of the merchandise. As a practical matter, this amendment will not require any change in current practices. The name of the shipper is already routinely included on the import manifest and the committee simply intends that this current practice be continued. The amendment merely formalizes the requirement that the name be included on the manifest. This amendment also spells out what information will be available for public disclosure from the import manifest when contained in such manifest, including the name and address of each importer or consignee, the name and address of the shipper, the general character of the cargo, and number of packages and gross weight, the name of the vessel or carrier, port of loading, port of discharge, and country of origin of the shipment.

The country of origin of the shipment means the country from which the merchandise was first shipped in the import transaction. For example, if cotton goods were shipped to the United States via Rotterdam from a manufacturing plant in India, the country of origin of the shipment would be India. However, if goods manufactured in the United States were returned to the United States from a German Federal Republic company via Rotterdam, the country of origin of the shipment will be the Federal Republic of Germany. In most instances, the country of origin of the shipment will be the country of the shipper.

The amendment further provides that the name and address of the importer and the shipper shall be available for disclosure unless the importer files a biennial certification with the Secretary of the Treasury requesting that such information be withheld and certifies

that such information is confidential. A certification by an importer may cover both itself and shipper to it. The purpose of this biennial certification together with the specific description of what is to be disclosed is to provide a means of protecting claims of business confidential information.

The Secretary is directed to issue implementing regulations under this section to provide for disclosure of the relevant information and to insure timely access by publication to such information. It is the committee's intent that new regulations be expeditiously issued.

The amendment also provides that any of the items described above will not be disclosed if they are classified as defense or foreign policy information pursuant to 5 U.S.C. 552(b)(1).

The Secretary of the Treasury is required to establish procedures to insure timely access by publications to all manifests to provide for the timely publication of the information permitted to be published by this section. The procedures shall provide a means of protecting against public disclosure of information not otherwise available for disclosure.

Interest charges

Section 2(d) of the bill, as introduced, amends section 484(2)(B) of the Tariff Act of 1930 to prohibit the Secretary of the Treasury from administratively imposing interest charges during the 10-day deferment period now allowed for the deposit of estimated duties assessed on imported merchandise. The committee has consistently opposed attempts to accelerate the collection of estimated duties to any period less than 10 working days after the date of entry. Although this language prevents Customs from charging interest by regulation during that 10-day deferment period, it does not prevent Customs from charging interest on overdue duties and fees following liquidation.

Other Issues

Duty-free merchandise.—Several members of the committee have become aware that recent interpretations by the Customs Service of the fiscal year 1983 Treasury appropriation bill may cause unintended harm to businesses that sell duty-free goods, especially those located along the United States-Canada and United States-Mexico borders. Section 560 of the appropriations bill was enacted to protect the right of States and local instrumentalities that operate exit point facilities, such as airports or seaports, to require concessions to be obtained to operate businesses with the facility, thereby preserving the significant revenues that such concessions provide to the States and localities concerned.

Customs has apparently construed this provision to require the agency to initiate actions to close down the duty-free sales operations of numerous legitimate small business establishments that have been operating for years in full compliance with the State and local requirements and with Customs' full authorization and cooperation. The committee is concerned that if Customs implements its current interpretation of section 506 and refuses to exercise the required supervision over these operations, these businesses will be forced to close. The committee

believes that the interpretation misconstrues the plain language of the provision and the intent of Congress in enacting that provision.

Members of the committee intend to work with other appropriate committees and with other interested members to explore this issue in depth and to consider legislation that would clarify the intent of Congress and remedy this program. Therefore, the committee recommends that the Customs Service take no further action to implement its current interpretation of section 506 until the committee has fully considered this issue and has taken appropriate legislative action to deal with it.

Consolidation of border inspection activities.—The committee urges that Customs and the administration move expeditiously to consider proposals to consolidate the Federal border inspection functions. Several reports and studies in recent years have documented the need for combining these functions, particularly those of the Immigration and Customs Services. The committee's oversight of Customs' recent airport tests such as ASIST and the modified red door/green door has also pointed to the need to consolidate and streamline inspection functions.

The committee is concerned about duplication of functions in the processing of income passengers (Customs Service, Immigration and Naturalization Service, and the Department of Agriculture). At present, a cross-agency training exists to enable the three agencies to carry out certain functions and responsibilities of each at port of entry. The consolidation of functions is now all the more important in view of reports that INS may reduce service at ports on the Canadian border. The committee strongly believes that such a consolidation will improve passenger clearance and reduce paperwork, streamline processing, strengthen law enforcement, and provide budgetary savings.

Northern border ports of entry.—The committee has recently become aware of a joint Customs and Immigration Services proposal to close a number of ports of entry along the United States-Canada border and to reduce the hours of operation at a number of others. Several members of the committee are concerned that the proposal, if implemented, would cause undue hardship to many people and businesses along the northern border who would be forced to use alternative ports of entry at extreme distances from existing border crossings. The committee is also concerned that such a proposal has not been presented to appropriate congressional committees for their attention and consideration. In the absence of legislative language to prohibit Customs from closing northern border ports during fiscal year 1984, the committee has received assurances from Customs that it will not close any northern border ports during the coming fiscal year. During consideration of the bill, Customs officials informed the committee that Treasury had directed Customs to suspend any further action on the port closure proposed for the foreseeable future.

OFFICE OF THE U.S. TRADE REPRESENTATIVE

Authorization of appropriations

Section 3 of H.R. 2602, as amended, amends section 141(f)(1) of the Trade Act of 1974 to provide a 1-year authorization of appropria-

tions for fiscal year 1984 of $11,897,000 for the Office of the U.S. Trade Representative. Of this amount, a maximum of $60,000 may be used for official entertainment and representation expenses. Current law provides a permanent authorization of appropriations for each fiscal year beginning in fiscal year 1983 for salary increases provided under the Federal Pay Comparability Act of 1970.

H.R. 2602, as introduced, included an authorization of $11,647,000 for USTR, the amount originally requested by the agency. The committee amended this amount to reflect an additional $250,000 in a recent supplemental request to cover the expenses of the third Deputy U.S. Trade Representative provided under the fiscal year 1983 authorization (Public Law 97-456) enacted on January 12, 1983.

The $11.9 million authorized for fiscal year 1984 represents an increase of only $0.8 million above the amount authorized for fiscal year 1983. The fiscal year 1984 authorization is $1.388 million or 13.2 percent above the fiscal year 1983 base funding level of $10.509 million (current appropriations plus requested pay supplemental of $409,000).

The fiscal year 1984 request is designated to maintain staff and operations similar to fiscal year 1983 levels. The number of permanent positions for the Office would not change from the 113 positions currently available, including 5 permanent positions for the agency's office in Geneva, Switzerland, which is responsible for U.S. representation to the General Agreement on Tariffs and Trade [GATT]. In addition, USTR has a ceiling of 131 in work year terms plus 82 nonceiling positions in work year terms, including 12 in Geneva.

The additional funds authorized for fiscal year 1984 cover uncontrollable rising costs, primarily a rent increase on its leased space initiated by the General Services Administration and increased communication and utility charges.

Vote of Committee in Reporting the Bill

In compliance with clause 2(l)(2)(B) of rule XI of the Rules of the House of Representatives, the following statement is made relative to the vote of the committee in reporting the bill. H.R. 2602 was by voice vote ordered favorably reported by the committee with amendments.

Oversight Findings

Pursuant to clause 2(l)(3)(A) of rule XI of the Rules of the House of Representatives, the committee makes the following findings:

The committee, based on the oversight activities of the Subcommittee on Trade, has concluded that changes, other than those included in the legislation, in the organization of the ITC, Customs Service, and USTR are not necessary at this time.

In regard to clause 2(l)(3)(D) of rule XI of the Rules of the House of Representatives, no oversight findings or recommendations have been submitted to the committee by the Committee on Government Operations with respect to the subject matter contained in the bill.

Budget Authority and Cost Estimates, Including Estimates of Congressional Budget Office

In compliance with clause 7(a) of rule XIII and with clause 2(l)(3)(B) of rule XI of the Rules of the House of Representatives, the committee states that H.R. 2602 would provide new budgetary authority for the International Trade Commission in the amount of $21,241,000, for the Customs Service in the amount of $627,759,000, and for the U.S. Trade Representative in the amount of $11,897,000 for fiscal year 1984. The committee states that there are no tax expenditures or new budget authority providing financial assistance to State and local governments in the bill.

In compliance with clause 7(a) of rule XIII and with clauses 2(l)(3)(B) and (C) of rule XI of the Rules of the House of Representatives, the committee provides below information furnished by the Congressional Budget Office on H.R. 2602 and required to be included herein.

U.S. Congress,
Congressional Budget Office,
Washington, D.C., May 5, 1983.

Hon. Dan Rostenkowski,
Chairman, Committee on Ways and Means, U.S. House of Representatives, Washington, D.C.

Dear Mr. Chairman: Pursuant to section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for H.R. 2602, a bill to authorize appropriations for the U.S. International Trade Commission, the U.S. Customs Service, and the Office of the U.S. Trade Representative for fiscal year 1984, and for other purposes.

Should the committee so desire, we would be pleased to provide further details on this estimate.

Sincerely,

Alice M. Rivlin,
Director.

Congressional Budget Office—Cost Estimate

May 5, 1983.

1. Bill number: H.R. 2602.

2. Bill title: A bill to authorize appropriations for the U.S. International Trade Commission, the U.S. Customs Service, and the Office of the U.S. Trade Representative for fiscal year 1984, and for other purposes.

3. Bill status: As ordered reported by the House Committee on Ways and Means, May 4, 1983.

4. Bill purpose: This bill authorizes 1984 appropriations of no more than $21.2 million for the International Trade Commission [ITC], $627.8 million for the salaries and expenses of the U.S. Customs Service, and $11.9 million for the Office of the U.S. Trade Representative [OUSTR]. In addition, the bill sets funding ceilings for certain

Customs Service programs, and limits the amount of overtime pay an employee of the Service may receive without first obtaining a waiver from the Commissioner of Customs.

The bill also provides for public disclosure of certain import manifest information and allows for packaging materials to be treated the same as other merchandise under the drawback provisions of Federal law.

The authorization level specified by the bill for the Customs Service is $56 million or 9.9 percent higher than 1983 appropriations for the agency to date, and $49 million or 8.5 percent higher than the President's 1984 budget request for the agency. The authorization levels for the ITC and OUSTR are approximately equal to the amounts requested by those agencies.

5. Estimated cost to the Federal Government:

[By fiscal years, in millions of dollars]

	1984	1985	1986	1987	1988
Authorization level:					
ITC (function 150)	21	.....	.....	.....	.....
Customs Service (function 750)	628	.....	.....	.....	.....
OUSTR (function 800)	12	.....	.....	.....	.....
Total	661	.....	.....	.....	.....
Estimated outlays:					
ITC (function 150)	20	1	.....	.....	.....
Customs Service (function 750)	569	59	.....	.....	.....
OUSTR (function 800)	11	1	.....	.....	.....
Total	600	61	.....	.....	.....

Basis of estimate: CBO assumes that the bill will be enacted and that the full amounts authorized will be appropriated for 1984. The estimated outlays are based on historical spending patterns for the programs authorized by this bill.

6. Estimated cost to State and local governments: None.

7. Estimate comparison: None.

8. Previous CBO estimate: None.

9. Estimate prepared by: Charles Essick.

10. Estimate approved by:

C. G. NUCKOLS
(For James L. Blum,
Assistant Director for Budget Analysis).

INFLATIONARY IMPACT

With respect to clause 2(l)(4) of rule XI of the Rules of the House of Representatives, the committee states that H.R. 2602 as amended would not have any inflationary impact on prices and costs in the operation of the general economy.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted

is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman) :

TARIFF ACT OF 1930

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TITLE III—SPECIAL PROVISIONS

Part I—Miscellaneous

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SEC. 313. DRAWBACK AND REFUNDS.

(a) * * *

* * * * * * *

(j) SAME CONDITION DRAWBACK.—(1) If imported merchandise, on which was paid any duty, tax, or fee imposed under Federal law because of its importation—

(A) is, before the close of the three-year period beginning on the date of importation—

(i) exported in the same condition as when imported, or

(ii) destroyed under the Customs supervision; and

(B) is not used within the United States before such exportation or destruction;

then upon such exportation or destruction 99 per centum of the amount of each such duty, tax, and fee so paid shall be refunded as drawback.

(2) The performing of incidental operations (including, but not limited to, testing, cleaning, repacking, and inspecting) on the imported merchandise itself, not amounting to manufacture or production for drawback purposes under the preceding provisions of this section, shall not be treated as a use of that merchandise for purposes of applying paragraph (1)(B).

(3) Packing material that is imported for use in performing incidental operations regarding the packaging or repackaging of imported merchandise to which paragraph (1) applies shall be treated under such paragraph in the same manner as such merchandise for purposes of refund, as drawback, 99 per centum of any duty, tax, or fee imposed under Federal law on the importation of such material.

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Part II—United States Tariff Commission

SEC. 330. ORGANIZATION OF THE COMMISSION.

(a) MEMBERSHIP.— * * *

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(e) AUTHORIZATION OF APPROPRIATIONS.—(1) For the fiscal year beginning October 1, 1976, and each fiscal year thereafter, there are authorized to be appropriated to the Commission only such sums as may hereafter be provided by law.

(2) There are authorized to be appropriated to the Commission for necessary expenses for fiscal year 1983 not to exceed $19,737,000. No part of any sum that is appropriated under the authority of this paragraph may be used by the Commission for the making of any special study, investigation, or report that is requested by any agency of the executive branch unless that agency reimburses the Commission for the cost thereof, *and for fiscal year 1984 not to exceed $21,241,000.*

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TITLE IV—ADMINISTRATIVE PROVISIONS

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Part II—Report, Entry, and Unlading of Vessels and Vehicles

SEC. 431. (a) MANIFEST—REQUIREMENT, FORM, AND CONTENTS.

The master of every vessel arriving in the United States and required to make entry shall have on board his vessel a manifest in a form to be prescribed by the Secretary of the Treasury and signed by such master under oath as to the truth of the statements therein contained. Such manifest shall contain:

First. The names of the ports or places at which the merchandise was taken on board and the ports of entry of the United States for which the same is destined, particularly describing the merchandise destined to each such port: *Provided*, That the master of any vessel laden exclusively with coal, sugar, salt, nitrates, hides, dyewoods, wool, or other merchandise in bulk consigned to one owner and arriving at a port for orders, may destine such cargo "for orders," and within fifteen days thereafter, but before the unlading of any part of the cargo such manifest may be amended by the master by designating the port or ports of discharge of such cargo, and in the event of failure to amend the manifest within the time permitted such cargo must be discharged at the port at which the vessel arrived and entered.

Second. The name, description, and build of the vessel, the true measure or tonnage thereof, the port to which such vessel belongs, and the name of the master of such vessel.

Third. A detailed account of all merchandise on board such vessel, with the marks and numbers of each package, and the number and description of the packages according to their usual name or denomination, such as barrel, keg, hogshead, case, or bag; *and the names of the shippers of such merchandise.*

Fourth. The names of the persons to whom such packages are respectively consigned in accordance with the bills of lading issued therefor, except that when such merchandise is consigned to order the manifest shall so state.

Fifth. The names of the several passengers aboard the vessel, stating whether cabin or steerage passengers, with their baggage, specifying the number and description of the pieces of baggage belonging to each, and a list of all baggage not accompanied by passengers.

Sixth. An account of the sea stores and ship's stores on board of the vessel.

(b) Whenever a manifest of articles or persons on board an aircraft is required for customs purposes to be signed, or produced or delivered to a customs officer, the manifest may be signed, produced, or delivered by the pilot or person in charge of the aircraft, or by any other authorized agent of the owner or operator of the aircraft, subject to such regulations as the Secretary of the Treasury may prescribe. If any irregularity of omission or commission occurs in any way in respect of any such manifest, the owner or operator of the aircraft shall be liable for any fine or penalty prescribed by law in respect of such irregularity.

(c) (1) Except as provided in subparagraph (2), the following information, when contained in such manifest, shall be available for public disclosure:

(A) The name and address of each importer or consignee and the name and address of the shipper to such importer or consignee, unless the importer or consignee has made a biennial certification, in accordance with procedures adopted by the Secretary of the Treasury, claiming confidential treatment of such information.

(B) The general character of the cargo.

(C) The number of packages and gross weight.

(D) The name of the vessel or carrier.

(E) The port of loading.

(F) The port of discharge.

(G) The country of origin of the shipment.

(2) The information listed in paragraph (1) shall not be available for public disclosure if—

(A) the Secretary of the Treasury makes an affirmative finding on a shipment-by-shipment basis that disclosure is likely to pose a threat of personal injury or property damage; or

(B) the information is exempt under the provisions of section 552(b)(1) of title 5 of the United States Code.

(3) The Secretary of the Treasury, in order to allow for the timely dissemination and publication of the information listed in paragraph (1), shall establish procedures to provide access to manifests. Such procedures shall include provisions for adequate protection against the public disclosure of information not available for public disclosure from such manifests.

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TITLE IV—ADMINISTRATIVE PROVISIONS

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Part III—Ascertainment, Collection, and Recovery of Duties

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SEC. 484. ENTRY OF MERCHANDISE.

(a) REQUIREMENT AND TIME.—(1) Except as provided in sections 490, 498, 552, 553, and 336(j) of this Act and in subsections (h) and (i) of this section, one of the parties qualifying as 'importer of record' under paragraph (2)(C) of this subsection, either in person or by an agent authorized by him in writing—

(A) shall make entry therefor by filing with the appropriate customs officer such documentation as is necessary to enable such officer to determine whether the merchandise may be released from customs custody; and

(B) shall file (at the time required under paragraph (2)(B) of this subsection) with the appropriate customs officer such other documentation as is necessary to enable such officer to assess properly the duties on the merchandise, collect accurate statistics with respect to the merchandise, and determine whether any other applicable requirement of law (other than a requirement relating to release from customs custody) is met.

(2)(A) The documentation required under paragraph (1) of this subsection with respect to any imported merchandise shall be filed at such place within the customs-collection district where the merchandise will be released from customs custody as the Secretary shall by regulation prescribe.

(B) The documentation required under paragraph (1)(B) of this subsection with respect to any imported merchandise shall be filed with the appropriate customs officer when entry of the mechandise is made or at such time within the ten-day period (exclusive of Saturdays, Sundays, and holidays) immediately following the date of entry as the Secretary shall by regulation prescribe. *The Secretary may not charge interest for any portion of such ten-day period on the duties assessed on the imported merchandise.*

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SECTION 301 OF THE CUSTOMS PROCEDURAL REFORM AND SIMPLIFICATION ACT OF 1978

TITLE III—CUSTOMS SERVICE APPROPRIATIONS AUTHORIZATION

SEC. 301. * * *

(b) There are authorized to be appropriated to the Department of the Treasury not to exceed $564,224,000 for the salaries and expenses of the United States Customs Service for fiscal year 1983, of which not to exceed (*1*) $31,464,000 is for salary and expenses for the enforcement of the alcohol and tobacco revenue laws*; and* (*2*) *$627,759,000 for the salaries and expenses of the Service for fiscal year 1984, of which (A) not to exceed $14,000,000 is for the implementation of the "Operation EXODUS" program, (B) not to exceed $9,000,000 is for a second air module, and (C) not to exceed $1,000,000 is for a program to provide technical and educational assistance regarding technical customs matters to developing countries.*

(c) No part of any sum that is appropriated under the authority of subjection (b) may be used to implement any procedure relating to the time of collection of estimated duties that shortens the maximum 10-day deferment procedure in effect on January 1, 1981.

(*d*) *No part of any sum that is appropriated under subsection (b) for fiscal years after October 31, 1983, may be used for administrative expenses to pay any employee of the United States Customs Service*

overtime pay in an amount exceeding $25,000; except that the Commissioner of Customs or his designee may waive this limitation in individual cases in order to prevent exessive costs or to meet emergency requirements of the Service.

[(d)] (*e*) For the fiscal year beginning October 1, 1982, and for each fiscal year thereafter, there are authorized to be appropriated to the Department of the Treasury for salaries of the United States Customs Service such additional sums as may be provided by law to reflect pay rate changes made in accordance with the Federal Pay Comparability Act of 1970.

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SECTION 141 OF THE TRADE ACT OF 1974

CHAPTER 4—OFFICE OF THE SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS

SEC. 141. OFFICE OF THE SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS.

(a) * * *

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(f)(1) There are authorized to be appropriated to the Office for the purpose of carrying out its functions (*A*) $11,100,000 for fiscal year 1983; of which not to exceed $65,000 may be used for entertainment and representation expenses*; and* (*B*) *$11,897,000 for fiscal year 1984, of which not to exceed $60,000 may be used for entertainment and representation expenses.*

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